

IC 7.1-5-9

Chapter 9. Miscellaneous Prohibited Interests

IC 7.1-5-9-1

Commission; prohibited interest

Sec. 1. Commission: Prohibited Interests. It is unlawful for a commissioner, an officer or employee of the commission, or a member of a local board, to have an interest, either proprietary or by means of a loan, mortgage, or lien, or in any other manner, or to own stock in a corporation which has an interest, in the premises where alcoholic beverages are manufactured or sold, or in a business wholly or partially devoted to the manufacture, sale, transportation or storage of alcoholic beverages. The prohibition contained in this section shall not apply to an expert or professional employee employed by the commission only for a special undertaking. A person who violates a provision of this section also shall be dismissed as provided in this title.

(Formerly: Acts 1973, P.L.55, SEC.1.)

IC 7.1-5-9-2

Brewer's or vintner's interest in wholesaler's permit prohibited; financial assistance

Sec. 2. (a) Except as provided in subsection (c), it is unlawful for the holder of a brewer's permit or for a brewer located outside Indiana that meets the requirements of IC 7.1-3-2-4 and IC 7.1-3-2-5 to hold, acquire, possess, own, or control, or to have an interest, claim, or title, in or to an establishment, company, or corporation holding or applying for a beer wholesaler's permit under this title, or in its business.

(b) Except as provided in subsection (c), it is unlawful for the holder of a vintner's permit or for a vintner located outside Indiana to hold, acquire, possess, own, or control, or to have an interest, claim, or title in or to, an establishment, company, or corporation holding or applying for a wine wholesaler's permit under this title, or in its business.

(c) A brewer covered by subsection (a) may provide financial assistance to the holder of a beer wholesaler's permit. A vintner covered by subsection (b) may provide financial assistance to the holder of the wine wholesaler's permit. The following conditions apply to the provision of financial assistance under this subsection:

(1) The brewer may not require that the holder of the beer wholesaler's permit, and the vintner may not require that the holder of a wine wholesaler's permit, accept the financial assistance.

(2) The financial assistance may be unsecured or secured.

(3) If the financial assistance is secured, it may be secured only by a security interest in the following property of the holder of the wholesaler's permit:

(A) Inventory of the products of the brewer or vintner.

(B) Premises or equipment, if the premises or equipment is

used in the business of the holder of the wholesaler's permit.

(4) If the financial assistance is secured, the value of the property in which the security interest lies may not substantially exceed the debt secured.

(5) Except as provided in IC 7.1-3-2-9, the brewer or the vintner may not use financial assistance to acquire complete or partial control of the business of the holder of the wholesaler's permit.

(6) Except as provided in IC 7.1-3-2-9, the brewer or vintner must make available to all wholesalers (of any of its products) any assistance that it offers to any one (1) wholesaler of any of its products. This assistance must be provided on substantially identical terms. The brewer or vintner may not discriminate among wholesalers of any of its products in the enforcement of any terms related to assistance under this section.

(7) The brewer or vintner must report to the commission any assistance that it offers to a wholesaler under this section. It must make this report promptly after the assistance is offered.

(Formerly: Acts 1973, P.L.55, SEC.1.) As amended by P.L.112-1987, SEC.9; P.L.72-1997, SEC.4.

IC 7.1-5-9-3

Beer permittee's interest limited

Sec. 3. (a) This section applies to a brewer that manufactures more than twenty thousand (20,000) barrels of beer in a calendar year.

(b) It is unlawful for the holder of a brewer's or beer wholesaler's permit to have an interest in a liquor permit of any type under this title.

(Formerly: Acts 1973, P.L.55, SEC.1.) As amended by P.L.88-1993, SEC.6.

IC 7.1-5-9-4

Interest in another permit prohibited

Sec. 4. Except as provided in IC 7.1-3-3-4, an applicant for a beer wholesaler's permit shall have no interest in the following:

(1) A permit to manufacture or to sell at retail alcoholic beverages of any kind.

(2) Any other permit to wholesale alcoholic beverages.

(3) Through stock ownership or otherwise, a partnership, limited liability company, or corporation that holds:

(A) a permit to manufacture or to sell at retail alcoholic beverages of any kind; or

(B) any other permit to wholesale alcoholic beverages of any kind.

(Formerly: Acts 1973, P.L.55, SEC.1.) As amended by P.L.51-1994, SEC.14; P.L.204-2001, SEC.59.

IC 7.1-5-9-5

IC 7.1-5-9-6

Liquor permittee's interests limited

Sec. 6. Liquor Permittee's Interests Limited. It is unlawful for the holder of a distiller's, rectifier's, or liquor wholesaler's permit to have an interest in a beer permit of any type under this title.

(Formerly: Acts 1973, P.L.55, SEC.1.)

IC 7.1-5-9-7

Distillers and rectifiers; prohibited interests

Sec. 7. Distillers and Rectifiers: Prohibited Interests. It is unlawful for the holder of a distiller's or rectifier's permit to own, acquire, possess or cause to be transferred to him, shares of stock of a corporation that holds an Indiana permit to sell alcoholic beverages at retail, or in a permit to sell at retail in this state, or to own or acquire an interest in the business being conducted under the permit, or in or to shares of stock in a corporation that owns a permit to sell at retail.

(Formerly: Acts 1973, P.L.55, SEC.1.)

IC 7.1-5-9-8

Certain interests prohibited

Sec. 8. Certain Interests Prohibited. The holder of a distiller's permit or rectifier's permit may not own, acquire, or possess a permit to sell liquor at wholesale. A distiller or rectifier may not have an interest in the business of a permittee who is authorized to sell beer, liquor, or wine at wholesale or retail.

(Formerly: Acts 1973, P.L.55, SEC.1.)

IC 7.1-5-9-9

Wholesaler's interests limited

Sec. 9. Wholesaler's Interests Limited. It is unlawful for a person who has an interest in a beer wholesaler's permit to acquire, hold, own, or possess an interest of any type in a beer dealer's or retailer's permit. It is unlawful, also, for a person who has an interest in a liquor wholesaler's permit to acquire, hold, own, or possess an interest of any type in a liquor dealer's or retailer's permit.

(Formerly: Acts 1973, P.L.55, SEC.1.)

IC 7.1-5-9-10

Retailer owning interest in another permit prohibited; microbrewery exception

Sec. 10. (a) Except as provided in subsection (b), it is unlawful for a holder of a retailer's permit of any type to acquire, hold, own, or possess an interest of any type in a manufacturer's or wholesaler's permit of any type.

(b) It is lawful for a holder of a retailer's permit of any type to acquire, hold, own, or possess an interest of any type in a brewer's permit for a brewery that manufactures not more than twenty thousand (20,000) barrels of beer in a calendar year.

(Formerly: Acts 1973, P.L.55, SEC.1.) As amended by P.L.72-2004, SEC.17.

IC 7.1-5-9-11 Repealed

(Repealed by Acts 1978, P.L.2, SEC.727.)

IC 7.1-5-9-12

Use of another's warehouse prohibited

Sec. 12. Use of Another's Warehouse Prohibited. It is unlawful for a holder of a brewer's permit, beer or liquor wholesaler's permit, or a beer or liquor retailer's permit, to own, operate, maintain on his own account, patronize, use, or employ a warehouse, storage, or depot, owned or operated by another person for the storage or keeping of an alcoholic beverage except at the plant or premises which is covered by his permit.

(Formerly: Acts 1973, P.L.55, SEC.1.)

IC 7.1-5-9-13

Certain interests prohibited

Sec. 13. Certain Interests Prohibited. The proprietor of a drug store, a corporation holding a distiller's or brewer's permit or a wholesaler's permit or a permit to retail or deal in alcoholic beverages, a wholesale drug company, and a person who is the proprietor of a wholesale drug company may not own or control or participate in the permit of a package liquor store, or in its business, or in its establishment.

(Formerly: Acts 1973, P.L.55, SEC.1.)

IC 7.1-5-9-14

Sale to non-permittee prohibited

Sec. 14. Sale to Non-Permittee Prohibited. It is unlawful for the holder of a brewer's, distiller's, rectifier's, or a wholesaler's permit of any type to sell an alcoholic beverage to a person who does not hold an appropriate permit under this title. However, this section shall not apply to the sale of an alcoholic beverage to a consumer as expressly authorized in this title.

(Formerly: Acts 1973, P.L.55, SEC.1.)

IC 7.1-5-9-15

Manager's questionnaire; violations; filing

Sec. 15. (a) The commission shall establish a manager's questionnaire for managers of licensed premises for the sale of alcoholic beverages.

(b) It is unlawful for a person to:

(1) manage; or

(2) buy when the transfer of the permit is contingent upon terms of a contract or an agreement;

a licensed premises for the sale of alcoholic beverages, unless the person has filed a valid manager's questionnaire with the commission.

(c) The filing of a manager's questionnaire under this section:

(1) is in addition to other requirements for managers under this title; and

(2) does not exempt the filer from IC 7.1-5-6-3.
As added by P.L.52-1992, SEC.11.